

court for the district in which the person is found or resides or is doing business. A person who is entitled to notice under § 163.8(a) shall have a right to intervene in any such enforcement proceeding.

§ 163.10 Failure to comply with court order; penalties.

(a) *Monetary penalties.* The U.S. district court for any judicial district in which a person served with a Customs summons is found or resides or is doing business may order such person to comply with the summons. Upon the failure of a person to obey a court order to comply with a Customs summons, the court may find such person in contempt and may assess a monetary penalty.

(b) *Importations prohibited.* If a person fails to comply with a court order to comply with a Customs summons and is adjudged guilty of contempt, the Commissioner of Customs, with the approval of the Secretary of the Treasury, for so long as that person remains in contempt:

(1) May prohibit importation of merchandise by that person, directly or indirectly, or for that person's account; and

(2) May withhold delivery of merchandise imported by that person, directly or indirectly, or for that person's account.

(c) *Sale of merchandise.* If any person remains in contempt for more than 1 year after the Commissioner issues instructions to withhold delivery under paragraph (b)(2) of this section, the merchandise shall be considered abandoned and shall be sold at public auction or otherwise disposed of in accordance with subpart E of part 162 of this chapter.

§ 163.11 Compliance assessment and other audit procedures.

(a) *Conduct of a Customs compliance assessment or other audit.* In conducting a compliance assessment or other audit, the Customs auditors, except as otherwise provided in paragraph (c) of this section, shall:

(1) Provide notice, telephonically and in writing, to the person who is to be the subject of the compliance assessment or other audit, in advance of the

compliance assessment or other audit and with a reasonable estimate of the time to be required for the compliance assessment or other audit;

(2) Inform the person who is to be the subject of the compliance assessment or other audit, in writing and before commencing the compliance assessment or other audit, of his right to an entry conference at which time the objectives and records requirements of the compliance assessment or other audit will be explained and the estimated termination date will be set;

(3) Provide a further estimate of any additional time for the compliance assessment or other audit if, in the course of the compliance assessment or other audit, it becomes apparent that additional time will be required;

(4) Schedule a closing conference upon completion of the compliance assessment or other audit on-site work to explain the preliminary results of the compliance assessment or other audit;

(5) Complete a formal written compliance assessment or other audit report within 90 calendar days following the closing conference referred to in paragraph (a)(4) of this section, unless the Director, Regulatory Audit Division, at Customs Headquarters provides written notice to the person who was the subject of the compliance assessment or other audit of the reason for any delay and the anticipated completion date; and

(6) After application of any exemption contained in 5 U.S.C. 552, send a copy of the formal written compliance assessment or other audit report to the person who was the subject of the compliance assessment or other audit within 30 calendar days following completion of the report.

(b) *Petition procedures for failure to conduct closing conference.* Except as otherwise provided in paragraph (c) of this section, if the estimated or actual termination date for a compliance assessment or other audit passes without a Customs auditor providing a closing conference to explain the results of the compliance assessment or other audit, the person who was the subject of the compliance assessment or other audit may petition in writing for such a conference to the Director, Regulatory Audit Division, U.S. Customs Service,